



**Research
England**

**Guidance
RE-P-2018-08**

Research Funding: International Investment Initiative (I3)

This document describes the policies and methods of allocation for the International Investment Initiative (I3) 2019-2024. It provides guidance on the competition and invites eligible Higher Education Institutions to submit full bids for the grants on a competitive basis.



Full bids should be emailed to Research England by
noon on 28 February 2019.

Web: <http://re.ukri.org>

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International Investment Initiative

To	Vice-Chancellors, Heads of Research, Research England-funded Higher Education Institutions
Of interest to those responsible for	Senior Management, Research, Finance, Heads of Department
Reference	RE-P-2018-08
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Enquiries to	Nelly Wung (International@re.ukri.org)

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Executive summary

Purpose

1. This document details policies, objectives and methods for the allocation of an additional £4m to support English Higher Education Institutions (HEIs) to scale up strategically significant international research collaborations. This allocation will support the scaling up of existing strategically significant relationships between English HEIs and universities and research organisations outside the UK. This document calls for full bids for funding.

Key points

2. The International Investment Initiative (I3) aims to support the scaling up of existing strategically significant internationally collaborative research relationships between English HEIs and universities and research organisations outside the UK¹. In order to scale up existing collaborations, the scheme focusses on HEIs that can demonstrate existing research excellence, strategic alignment with partners and evidence of an existing productive collaboration.
3. All bids must include at least one university or research organisation from outside the UK as a partner. Overseas partners may be HEIs, independent institutes or independent research organisations. The lead institution will be required to clearly outline the governance structure relating to the collaboration.
4. The Initiative is designed to support activity that would not be eligible for funding through the Global Challenges Research Fund (GCRF) or the Newton Fund. Universities and research organisations in countries on the OECD DAC² list of countries eligible to receive Overseas Development Assistance (ODA) funding are eligible partners but the activity being undertaken must not be eligible for GCRF or Newton funding in order to be eligible for funding through I3.

¹ Research organisations from Scotland, Northern Ireland and Wales are not able to apply as an I3 lead.

However, a possible partnership may include an English lead HEI, an international research organisation from outside the UK and a research organisation from Scotland, Northern Ireland or Wales. A partnership that did not include a partner from outside the UK would not be eligible. The research organisation from Scotland, Northern Ireland and Wales would be subject to co-investment requirements in line with the other partners.

² http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf

5. The allocation process consists of a competitive scheme, and £4m is available through the scheme, to be allocated over 5 years (AY 19/20, 20/21, 21/22, 22/23, 23/24)³. Awards will be for a period of up to 5 years, allowing successful bidders time to scale up activity and build quality. Lead institutions are required to identify the level of award required; up to a maximum of £500,000 may be requested. Funds are not available from this scheme to fund capital investment. If required, funding for capital investment should come via co-investment from the participating research organisations (lead and/or partner HEIs).
6. For every £2.00 of investment by Research England, £1.00 (at a minimum) co-investment is required from **each** participating research organisation. For example, a lead HEI with a single partner will bring a minimum total of £500,000 (each investing a minimum of £250,000) to match a £500,000 investment awarded by Research England. A worked example of how co-investment may be achieved with more than one partner is in Annex B, paragraph 1. Co-investment may be in cash or in kind and take the form of resource, capital or a combination of the two. Co-investment must be realised within the lifetime of the activity.
7. The funding will be allocated based on a single-stage assessment process. Bids must justify how they meet all the eligibility and funding criteria laid out in paragraphs 20-40. Bids must set the request in the wider context of the participating institutions' current scale of research activity and the nature of the opportunity to scale up. All bids require strategic backing at the institution level of all partners and we will only accept bids made through the Office of the Vice-Chancellor (or equivalent) of the lead HEI. Each HEI can only submit a maximum of one proposal as the lead HEI. HEIs may participate as a partner HEI in multiple proposals, whether leading on a separate proposal or not.
8. We are now calling for full proposals to the scheme, led by an English HEI. We are establishing an expert panel to assess the bids, who may call on other expertise as required, and make funding recommendations to the Research England Executive Chair.

Action required

9. Full bids should be sent, by email only, to International@re.ukri.org by noon on 28 February 2019.

³ Funding is indicative and subject to final budget allocations to Research England in the relevant financial years.

Key dates

Activity	Date
Full bid call opens	15 November 2018
Deadline for full bids	28 February 2019
Panel	May 2019
Funding decision	Summer 2019
Funding available to draw down	August 2019

Context

10. The UK is a world leader in research and is already highly globally collaborative; for example, more than 50% of journal articles published in 2014 involved at least one international co-author⁴. The Government's Industrial Strategy highlights the importance of the UK's position as a world leader in global science and innovation in meeting the major industrial and societal challenges of our time. This reflects that global collaboration is an increasingly important factor in research and innovation success, supporting access to talent, resources and markets that are not available nationally.
11. The Government's Industrial Strategy also aims to grow public and private sector investment in research and development (R&D) – the Government has committed to raise total investment to 2.4% of GDP by 2027. It is recognised widely that R&D investment in the UK from global corporations will help meet the Government's commitment to raise R&D levels in the UK to 2.4% of GDP. Larger international collaborations between universities and public and private research organisations will enhance the UK's research reputation internationally and provide an even stronger platform for Government, businesses and universities to attract such investment.
12. HEIs are using a variety of models to engage in international collaboration, such as government agreements, international funder arrangements, organisational collaborations and researcher-driven activity. HEIs are also seeking to form sustainable partnerships which reflect both short-term ambitions and alignment with research profiles and institutional values. The Initiative seeks to support these strategic activities.
13. Research England's mission is to create and sustain the conditions for a healthy and dynamic research and knowledge exchange system in English universities⁵. One way that Research England seeks to accomplish this mission is by providing performance-based, institution-focussed funding to deliver excellent research and high-performance knowledge exchange, unlocking potential, generating economic and social impact, and meeting national priorities and global challenges. The I3 scheme is one of a range of existing and new policy measures that support Research England in achieving this goal.
14. UKRI and Research England recognise that a diverse academic community can drive excellence in research and innovation⁶. We are committed to championing equality,

⁴ <https://www.gov.uk/government/publications/performance-of-the-uk-research-base-international-comparison-2016>

⁵ <http://re.ukri.org/about-us/our-mission/>

⁶ <https://re.ukri.org/research/equality-and-diversity-and-the-research-base/>

diversity and inclusion (ED&I) nationally and internationally through our activities as employer and in our investments across the research and innovation sector⁷. We expect applications for I3 to take account of ED&I at all levels and aspects of research practice.

Objectives of the Initiative

15. As part of UKRI's investment in international research collaborations, the Research England I3 will support approaches in English HEIs that lead to increased scale of effective and sustainable research collaborations that enhance sector practice and research outcomes. The Initiative's objectives are to:

- Increase the scale and impact of existing international research collaborations that are based on excellent research;
- Strengthen the contribution of international collaborations involving English HEIs to our society, pushing the frontiers of human knowledge, delivering economic impact and creating social impact by supporting communities to become enriched, healthier, more resilient and sustainable;
- Contribute towards the delivery of government strategy, including the Industrial Strategy, by supporting sustained improvements in institutional capacity and capability in England.

Method of allocation

Available funding and overview

16. Up to £4m in funding is available from Research England for activity starting in academic year 2019-20, lasting up to five academic years. Bids should request no more than £500,000 from Research England. For each bid, every £2.00 of investment by Research England requires a matched £1.00 co-investment per participating research organisation to be considered eligible for this scheme. A worked example of co-investment is in Annex B, paragraph 1. Bids must be set in the context of the existing research activity of

⁷ <https://www.ukri.org/about-us/policies-and-standards/equality-diversity-and-inclusion/>

the lead institution and partner institution(s) and the opportunity to scale up the relationship.

17. We are aiming to make I3 awards in order that all the supported activity can start to draw down funding from August 2019. All public funding must be drawn down by July 2024, and no slippage to this end date will be permitted.
18. The funding will be allocated based on a single-stage assessment process. Bids should comply with the full guidance and eligibility and funding criteria (paragraphs 19-38). All bids should have strategic backing at the institution level of all partners and we will only accept bids made through the Office of the Vice-Chancellor (or equivalent) at the lead institution.
19. We are now calling for full bids to the fund to be submitted **by 28 February 2019**.

Eligibility

20. All Research England-funded HEIs are eligible to lead bids to this competitive scheme (referred to as the 'lead'). Proposals should have the strategic support of the leadership of all partners and should be submitted through the Office of the Vice-Chancellor or equivalent. HEIs should submit no more than one bid as a lead HEI.
21. The 'partner' is any university or research organisation that is partnering with the lead HEI on a bid. HEIs may participate as a partner HEI in multiple proposals, whether leading on a separate proposal or not.
22. All bids must include at least one university or research organisation from outside the UK as a partner. Overseas partners may be HEIs, independent institutes or independent research organisations. The lead institution will be required to clearly outline the governance structure relating to the collaboration. Funds are not available from this scheme to fund capital investment. If required, funding for capital investment should come via co-investment from the participating research organisations (lead and/or partner).
23. Bids need to address the objectives of I3 as set out in paragraph 15. The primary use of the awards must be for scaling up international research collaboration at the institutional or organisational unit level (e.g. faculty). Bids may achieve this through a variety of models and mechanisms which are not specified by this call; however, proposals must be designed to deliver research collaboration [including, but not limited to, postgraduate

(PGR) research training]. I3 awards are not intended to support undergraduate or postgraduate teaching delivery.

24. Successful projects will need to present a credible plan for scaling up the existing relationship. Funding is for up to 5 years and it is not our intention to provide follow-on funding. HEIs must clearly articulate plans for securing further funding streams over the 5-year period and ensure that collaborations can be sustained over the long term.
25. Multidisciplinary bids are welcome and should seek to demonstrate the suitability of the approach to the scale-up challenge presented.
26. The partnership minimum is one international university or research organisation. In addition to the international partner, proposals may include as partners: more than one UK HEI and/or more than one international research organisation. The lead HEI must be able to clearly justify how and why collaborating with their partner(s) would lead to the scale up of internationally collaborative activity in the context of international collaboration and the priorities of the participating institutions.
27. Lead institutions are required to identify in the proposal the level of award required, up to a maximum of £500,000. There is no minimum amount that may be requested; however, proposals must set the request in the wider context of the participating institutions' current scale of research activity and the nature of the opportunity to scale up. Proposals must demonstrate why the level of investment requested is sufficient to result in an upward step change in the scale of the relationship between the eligible HEI and identified partner(s).
28. In developing activity costings, the principles below should be applied:
 - a. Activity which takes place in the UK and attracts costs at a UK rate should be costed at a UK rate;
 - b. Activity which takes place outside the UK in a partner country and attracts costs at the rate of the partner country should be costed at that rate.
29. For every £2.00 of investment by Research England, £1.00 (at a minimum) co-investment is required from each participating research organisation. For example, a lead HEI with a single partner will bring a minimum total of £500,000 (each investing a minimum of £250,000) to match a £500,000 investment awarded by Research England. A worked example of how co-investment may be achieved with more than one partner is in Annex B, paragraph 1.

30. Eligible institutions and partner organisations may source their co-investment from public sources, businesses, charities or endowments. The following are not eligible co-investment sources:

- a. Expanding Excellence in England Fund (E3)
- b. UK Research Partnership Investment Fund (UKRPIF)
- c. Research England Development Fund (RED Fund)
- d. Connecting Capability Fund (CCF)
- e. HEFCE Catalyst Fund

31. Co-investment from eligible institutions and partners may be in the form of cash or in-kind contribution. Cash contributions should be quoted in UK pounds sterling. We are seeking to invest in equal and equitable partnerships where each organisation returns equivalent value in cash or in-kind. When providing evidence of equivalent value in the rationale for the valuation of co-investment currency conversions, where appropriate, should be calculated using the mean of the relevant specified Bank of England daily spot exchange rates – during December 2018⁸. Co-investment contributions may take into account purchasing power parity. Proposals must provide a clear rationale for the valuation of co-investment (cash and in-kind); this may be informed by existing purchasing power parity frameworks. Further information about approaches to co-investment can be found in Annex B.

32. Partner organisations from countries on the OECD DAC⁹ list of countries eligible to receive Overseas Development Assistance (ODA) funding, are eligible to participate. However, the associated activities should not be eligible for either Newton or GCRF funding in order to be eligible for I3.

33. The primary objective of and justification of proposals to I3 must be the scaling up of existing strategically significant internationally collaborative research relationships between English HEIs and universities and research organisations outside the UK.

⁸ Where a proposal requires the inclusion of exchange rates in the rationale for the valuation of co-investment in a currency which is not listed in the Bank of England Spot Rate list, (<https://www.bankofengland.co.uk/statistics/exchangerates>) the calculation should be based on the rate for US Dollars.

⁹ http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf

Although development benefit may be a secondary outcome from a proposed activity, focusing on returning specific development benefit from the international partner(s) as per the objectives of GCRF and the Newton Fund is not expected from bids to this scheme. Bids should clearly articulate how an equitable balance of benefits across the partners will be obtained from scaling up the partnership.

34. The Research England investment may be used to support the following:

- a. Activity undertaken by a member of staff employed by the English HEI at the English HEI or at/with the international partner including at a partner or international site;
- b. Activity undertaken by a PGR student registered by the English HEI at the English HEI;
- c. Activity undertaken by a PGR student registered by the international partner undertaking a formal placement or exchange as part of their training or research at the English HEI;
- d. Activity undertaken by a PGR student registered at the English HEI but undertaking activity internationally;
- e. Activity undertaken by a member of staff employed by the international partner at the lead English HEI.

35. Activity undertaken within the partner country by staff employed by the international partner, or PGR students registered at the international partner, should be resourced through the international partner. This may feature as a co-investment contribution. Proposals will need to demonstrate how scaling up the relationship between partners fits with each partner's overall research strategy. However, there should also be clarification as to why expansion cannot be supported from existing resources, with justification as to how I3 would deliver an additional benefit.

36. Bids will need to set out clearly how they align with national policy, institutional strategy and, where appropriate, local priorities.

37. Bids need to set out and justify the level of funding requested. Where the funding request appears high in relation to the proposed activity, the panel may choose to recommend a lower award.

38. We will pay very close attention to plans for the sustainability of the expanded collaboration. As well as monitoring and evaluating the fund, we may also track the

continuation of research collaboration. In considering future rounds of I3, we will review lessons learnt and outcomes from this competition.

39. Awards are underpinned by Research England's terms and conditions of grant¹⁰. Research England reserves the right to include funding stream- and project-specific terms and conditions of grant.

Funding criteria

40. Proposals will be assessed against the funding criteria below. Bidders are reminded that we expect applications for I3 to take account of ED&I at all levels and that this should be reflected throughout the proposal.

- a. **Research Excellence** – proposals must demonstrate that the lead organisation and partner organisation(s) have a track record of research excellence in relevant areas. This may be demonstrated by country-appropriate measures that are contextualised as necessary – e.g. REF (or partner country equivalent if appropriate), funding success (rates, levels, values), publications activity, partnerships.
- b. **Bid Quality**
 - i. **Ability for the relationship/activity to be scaled up** – demonstration that the relationship/activity is beyond early-stage development and is ready to be scaled up. This may be explored in several ways, including but not limited to: evidence of effective collaboration, existing infrastructure, and policies and procedures relevant to the proposed activity.
 - ii. **Justification for and additionality of I3 funding** – justification of the requested award, why the relationship/activity cannot be funded from within current institutional resources and why risk sharing with public funds is required. The proposal must not displace investment maintaining existing activity.
 - iii. **Sustainability of the relationship/activity** - a pathway to sustainability must be presented in the proposal; this may include a declining profile of I3

¹⁰ <https://re.ukri.org/news-events-publications/publications/terms-and-conditions-of-research-england-grant/>

investment. The expected source of replaced investment should be clear and the levels realistic.

- iv. **Co-investment** – proposals to this scheme require co-investment from all participating institutions. For every £2.00 of investment by Research England, £1.00 (at a minimum) co-investment is required from each participating research organisation. For example, a lead HEI with a single partner will bring a minimum total of £500,000 (investing a minimum of £250,000 each) to match a £500,000 investment awarded by Research England. Further detail on co-investment, specifically eligible sources of co-investment, a worked example of co-investment where multiple partners are involved, and the evidence required to demonstrate co-investments, can be found in Annex B.

c. **Rationale for Collaboration**

- i. **Strategic fit to priorities** – the value of the proposed collaboration should be placed in the context of the policies of wider UK Government and the countries in which partners are based, and relevant institutional priorities of the lead and partner organisations. Evidence of previous and current commitment to the development and scaling up of the relationship, demonstrating the additionality and complementarity of research strengths, existing collaboration levels with the partner organisation(s).
- ii. **Impact** – the expected additional impact of scaling up the collaboration should be clearly articulated throughout the proposal and letters of support.
- iii. **Viability and risk mitigation** – the wider conditions in which the collaboration is operating should be articulated and the governance structure of the collaboration should be clearly defined. Associated risks to the long-term stability of the relationship should be clearly stated, alongside a plan for risk mitigation. Proposals must identify a key set of indicators against which performance will be measured at project level – this will be used as part of the monitoring and evaluation process (see Monitoring and evaluation, paragraphs 43-47).

Steering and assessment

- 41. We will appoint an expert panel to undertake the assessment process. Panel information and terms of reference of the panel may be found at Annex A. Research England will

work with Universities UK International throughout the process. Bids will be examined under the Eligibility criteria. Bids that do not meet the Eligibility criteria will not be considered by the panel and will be office rejected. Bids will also be reviewed to provide advice to the panel as to whether the bid contains all the information requested in the guidance and whether the documentation raises any queries that need to be addressed before the panel can agree its assessment. The panel will make recommendations on allocations to the Research England Executive Chair, supported by additional experts as needed. When making investment decisions through this scheme, Research England will take into account the overall level of risk involved.

42. Summary feedback will be available for all bids (successful and unsuccessful) to this scheme. All process and funding decisions concerning the bids are final and appeals to these decisions will not be accepted.

Monitoring and evaluation

43. Research England will monitor the progress of successful I3 projects and, during the programme evaluation, may also contact HEI leads of unsuccessful bids to contribute to the evaluation of the programme. Contacted institutions will be expected to provide information on their experience of the process and, where successful, the progress of scaling up the relationship(s).
44. Proposals must identify a key set of indicators against which performance will be measured at project level. These will need to measure improvements in scale and assure the maintenance and development of quality in relevant research outputs/outcomes as is appropriate to the proposal.
45. Successful proposals will be provided with guidance on engagement with programme level evaluation and its requirements at award stage.
46. By submitting an application, institutions agree that any information relating to their bid (both successful and unsuccessful bids) may be used in future evaluation exercises related to international collaboration activities.
47. Successful institutions may be audited by Research England, or an organisation commissioned by Research England, at any stage, to ensure funds are being used in accordance with the terms and conditions of grant. Each host institution will also be required to submit a final evaluative report at the end of the funding period.

How to submit a bid

48. Universities wishing to apply should read the guidance and complete the templates at **Annex C** and send them by email to International@re.ukri.org by **noon on 28 February 2019**.

Key dates

Activity	Date
Full bid call opens	15 November 2018
Deadline for full bids	28 February 2019
Panel	May 2019
Funding decision	Summer 2019
Funding available to draw down	August 2019

Annex A: Panel Membership and Terms of Reference

Membership

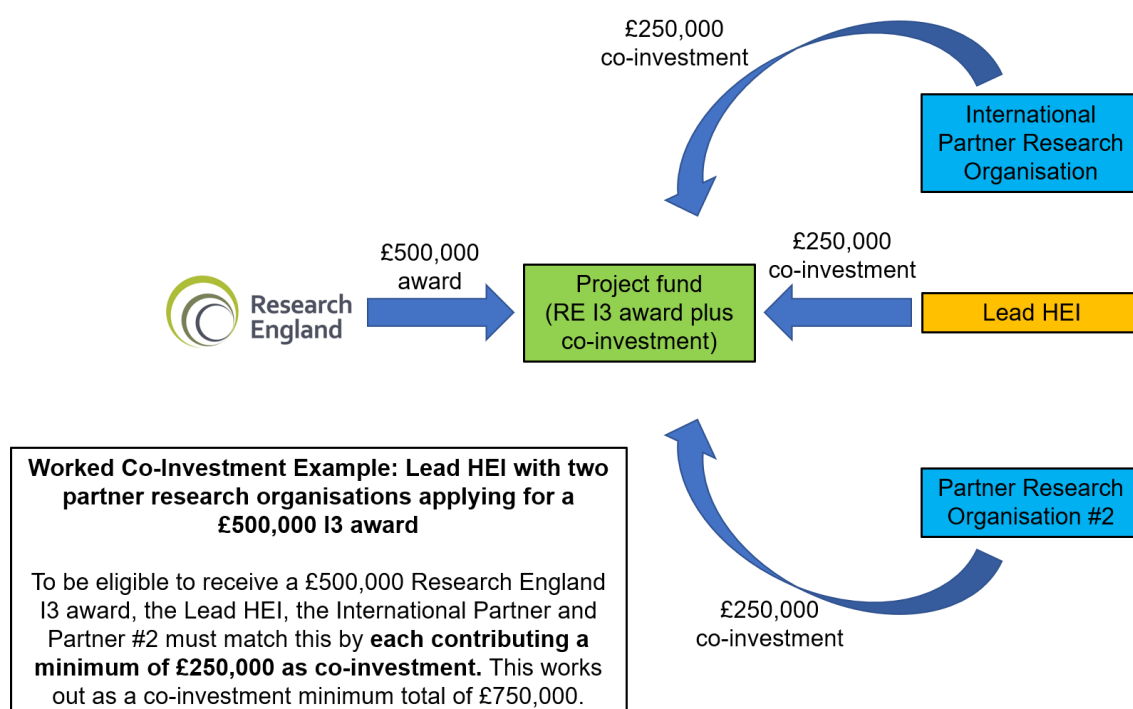
The panel will be chaired by Dr Richard Armour (formerly Secretary-General of Hong Kong's University Grants Committee and current member of the Research England Council). The membership will comprise a mixture of key stakeholders, including senior institution leaders, researchers and policy experts. The panel composition will be released at a later date when membership is confirmed.

Terms of reference

1. The expert panel will make recommendations to the Research England Executive Chair on:
 - a. Bids to be supported in this round of the competition;
 - b. Bids that were considered competitive at panel but for which funding is not available;
 - c. Any terms and conditions to be attached to specific projects.
2. The expert panel will provide advice to the Research England Executive Chair on:
 - a. The overall conduct of the competition for I3;
 - b. The approach to be taken to monitoring and evaluation to provide evidence that the funding has delivered the objectives of I3 and to support any case for future rounds of the competition;
 - c. Changes to be made to the scheme's guidance and criteria, drawing on the experience of the first round, to deliver fully the Government's and Research England's policy priorities and the objectives of I3 should future rounds of the competition be taken forward;
 - d. The appropriateness of processes for due diligence and confirming awards (such as requesting additional information or setting project-specific terms and conditions);
 - e. Any other comments on the successes or challenges of the scheme and the influence on overall directions in research policy in the long term.

Annex B: Co-investment

1. The matched funding requirement is a condition of funding. This will be assessed in detail and monitored for the lifecycle of the project. For every £2.00 of investment by Research England, £1.00 (at a minimum) co-investment is required from each participating research organisation. For example, a lead HEI with a single partner will bring a minimum total of £500,000 (investing a minimum of £250,000 each) to match a £500,000 investment awarded by Research England. The diagram below shows a worked example for the minimum co-investment required for a £500,000 I3 award where the lead HEI is collaborating with two partner research organisations:



2. Projects that do not secure the minimum co-investment from each partner will be rejected prior to panel and will not be funded. If the co-investment commitment falls below this ratio after a project receives an I3 award, funding may be withdrawn or reduced. The co-investment requirements are as follows:
 - a. The lead and partner organisations must provide evidence of their ability to deliver their own co-investment contributions. Where co-investment is sourced from beyond the collaborating universities and research organisations, confirmed funding agreements must be in place and clearly linked to the proposed activity prior to the start of a successful award. Clear commitments must be in place at the time of application. The proposal should clearly articulate any benefits anticipated by investors.

- b. Co-investment funding can be of a capital or recurrent grant nature, or a combination of the two. In considering the security of the co-investment, the panel will look at the scale, timing and nature of the co-investment funding relative to public investment, to institutions' own contributions and to other bids.
- c. Co-investment funding can include existing commitments that are already within the institution, as in the case of donations, providing that it is either not yet paid, or paid and not yet used for activities.
- d. Quality-related (QR) research funding is eligible as co-investment. Other forms of recurrent grant and ongoing research activity are also eligible but, where proposed as co-investment, the bid must explicitly demonstrate the additional value achieved by linking such funding to the I3 funding. Recurrent grant beyond QR may not be favoured as strongly as other forms of new co-investment where a strong case for additional value cannot be made.
- e. Recurrent funding will only be eligible from the point at which the scale-up activity has begun.
- f. Loans, rental income and future revenue streams (and other forms of financing where the return to the investor is not dependent on the success of the research project) will not qualify as co-investment. Co-investment may include investment from public sources including QR research funding. The following funding sources are not eligible co-investment:
 - i. Expanding Excellence in England Fund (E3)
 - ii. UK Research Partnership Investment Fund (UKRPIF)
 - iii. Research England Development Fund (RED Fund)
 - iv. Connecting Capability Fund (CCF)
 - v. HEFCE Catalyst Fund

Contributions in kind

- 44. Contributions in kind are permitted as co-investment funding. Where they are included as co-investment, it is essential that proposals demonstrate clearly how such contributions will add value to the project. Proposals must demonstrate how the financial value of contributions in kind has been calculated and how the lead HEI will evidence, measure and track this co-investment across the period of the contribution. For successful bids, this will need to be reported as part of the monitoring and

assurance process. We expect institutions to work with their co-investors in presenting a detailed and robust methodology for valuing in-kind contributions.

45. Contributions in kind should have a present value that can be audited against source documents and must not be an assessment of future revenue streams. Examples of contributions in kind might include land, buildings, equipment and staff time. Co-investment which is presented as a supplier discount may be judged as ineligible, unless clear evidence is available of a further discount over the best price available and achieved in the market. Where co-investment in kind takes the form of staff resource, evidence must be presented to demonstrate that a robust valuation has been made and that clear plans are in place to track this contribution.
46. Additionally, where contributions in kind are used, bids will need to present a robust framework under which they propose to work to monitor their receipt for the lifetime of the co-investment.
47. An example approach of calculating contributions in kind which bidders may use or adapt for their proposal is shown below:

Calculations	Comments
Staff Support	
Daily rate: [daily salary + on costs (National Insurance + pension) + overhead]	<p>Staff bands: for instance, junior and senior technical, junior and senior manager, director</p> <p>Appropriate overhead rates may be determined by comparison with usual commercial charge-out rates or rates permitted under funding programmes, such as European Union (EU) Horizon 2020.</p>

Equipment donation	
<p>Purchase price of equipment less depreciation charged</p> <p>OR</p> <p>Market value of equipment at time of donation</p>	<p>Valuation method:</p> <p>a. Purchase price and depreciation charged must be consistent with the financial statements.</p> <p>b. Where market value is used, there must be clear, identifiable and auditable evidence of the market value of the equipment at the time of donation.</p>
Equipment: Access to facilities (or time 'leased' to the project)	
<p>(purchase price less depreciation charged/365) + daily overhead rate X days' access</p>	<p>Purchase price and depreciation charged must be consistent with the financial statements.</p> <p>Appropriate overhead rates may be determined by comparison with usual commercial charge-out rates or rates permitted under funding programmes, such as EU Horizon 2020.</p>
Software	
<p>Market value of software licences</p> <p>OR</p> <p>Cost of creating software including developers' time, coders' time, and value of intellectual input included in development</p>	<p>a. Where the software has a clear and identifiable market value, this should be used.</p> <p>b. Where software has been developed internally and is not available on the open market, the reasonable cost of creating the software can be used, but this must be supported by clear, identifiable and auditable evidence of the staff time and costs involved.</p>

Data	
<p>Market price of data</p> <p>OR</p> <p>Reasonable cost of reproducing the data including costs associated with collecting the data:</p> <ul style="list-style-type: none"> a. Infrastructure costs for collection (servers, networks and similar). b. Infrastructure costs for generating the data (data monitoring infrastructure). c. People time to collect and manage the data. <p>OR</p> <p>Where there is a dedicated data collection and management department: annual costs of data collection and management department X # years' data</p>	<p>Where the data has a clear and identifiable market value, this should be used.</p> <p>If there is no identifiable market price for the data, the reasonable cost of reproducing the data can be included. The costs should be identifiable, auditable and clearly related to the collection and management of the data.</p>

Guiding principles on co-investment

48. The guiding principles when deciding the eligibility of co-investment are that:
- a. The co-investment should represent or encourage genuine strategic partnerships or research collaborations that tackle research challenges of strategic interest across disciplines. The outputs of this research should serve the public interest.
 - b. Co-investment should be used to achieve the research objectives of the bid and benefit the project clearly and directly.

49. Research England reserve the right to scrutinise the co-investment set out in the bids at any time. We may use the period between funding announcements and start of the funding period to undertake further assurance activity. Please note that we may seek input from government or independent advisors during this process.

Annex C: International Investment Initiative: Full Bid Guidance and Template

Guidance on preparing a bid

1. Please complete the following template and submit it to International@re.ukri.org by **noon on Thursday 28 February 2019**.
2. Bids must be submitted as follows:
 - a. Bids must be submitted as a single email, including as attachments the spend profile for Annex C – Section 6, and a separate PDF document comprising the completed template (Annex C) with any additional supporting evidence for the application. Evidence should include letters of support from the lead HEI Vice-Chancellor (or equivalent) and the collaborating partner organisation(s).
 - b. Bids must be completed in single-spaced typescript, in Arial, minimum size 10pt.
 - c. Bids should follow the page limits for Sections 1-5 as stated. Section 6 has no page limit. The email file size of the whole bid should be no greater than 5MB.
 - d. The bid must fit the objectives of the I3 scheme (Main Document, paragraph 15), Eligibility (Main Document, paragraphs 20-39) and Funding Criteria (Main Document, paragraph 40).
 - e. Letters of support should be provided on headed paper, dated and signed. Letters must clearly articulate the proposed financial commitment and case for support. The lead HEI's letter of support should be signed by the Vice-Chancellor (or equivalent). The partner(s) letter of support should be signed by the Vice-Chancellor or equivalent at the collaborating partner organisation(s).

Guidance on the content of bids

Section 1: Applicant Details and Bid Summary

3. Complete the provided table with the applicant details. Summarise the bid and its intended outcomes, in no more than 300 words. This summary text will be published on our website when the successful bids are announced.

Section 2: Research Excellence (2 pages)

4. Demonstrate how the lead HEI and partner research institution(s) have a track record of research excellence in relevant areas.
5. This may be demonstrated by country-appropriate measures that are contextualised as necessary – e.g. REF, funding success (rates, levels, values), publications activities, partnerships.

Section 3: Case for Funding (4 pages)

6. Describe the relationship and/or activity to be scaled up using I3 funding. The case for funding should be a maximum of 3 pages and include:
 - How the I3 objectives are addressed;
 - Justification for the ability for the relationship and/or activity to be scaled up;
 - Why I3 funding is required and the additionality for this funding;
 - Evidence of lead and partner co-investment ability and benefits to investors;
 - A pathway to sustainability of the relationship and/or activity.

The case should clearly justify why the type and nature of co-investment provided is required for scaling up the existing relationship with the international organisation. Annex B contains further information and advice on what is deemed eligible co-investment and how co-investment will be considered during the assessment process.

In addition, a project plan of 1 page should also be included as an annex to the submission.

Section 4: Rationale for Collaboration (1 pages)

7. Demonstrate the rationale behind the proposed collaboration. This should be in the context of:
 - The policies of wider UK Government and the countries in which partners are based;
 - Relevant institutional priorities of the lead and partner organisations;
 - Evidence of previous and current commitments to the development and scaling up of the existing relationship;
 - The expected additional impact of scaling up the collaboration.

Section 5: Risk and Performance Indicators (1 page)

8. Describe the wider conditions in which the collaboration is operating, clearly articulating the governance structure of the collaboration. This should include:
 - A clear description of associated risks to the long-term stability of the relationship;
 - A risk mitigation plan;
 - A key set of indicators against which performance will be measured at project level – this will be used as part of the monitoring and evaluation process (see Monitoring and evaluation, paragraphs 43-47). Proposals should be clear where indicators will be qualitative or quantitative and how, where appropriate contextualisation of the indicators will be approached. On assessing the programme of successful projects, Research England may ask successful projects to collect programme-wide indicators to support cross-comparability of evaluation.

Section 6: Financial Information (no page limit)

9. Financial information should be recorded in Annex C – Section 6. A maximum of £500,000 I3 funding can be requested. Co-investment is a requirement of funding. At a minimum, each participating institution [lead and partner(s)] should bring the equivalent of £1.00 to the project for each £2.00 invested by Research England; for example, a lead HEI with a single partner will each bring £1.00 (for a total of £2.00) to match each £2.00 awarded by Research England. Further information on co-investment can be found in Annex B.
10. Each participating organisation (lead and partners) must provide a letter of support highlighting clear commitment to co-investment. If the application is successful,

confirmed funding agreements must be in place and clearly linked to the proposed activity prior to the start of the award. Letters of support should be on headed paper, dated and signed, and attached at the end of the submitted PDF.

International Investment Initiative Application Template

Section 1: Applicant Details and Bid Summary	
Higher Education Institution (HEI) leading the bid:	
Bid title:	
Broad discipline area(s) of the bid: <i>State the discipline(s) involved in the bid and which unit(s) of assessment it aligns with in the 2014 Research Excellence Framework.</i>	
International Investment Initiative (I3) funding requested (£):	
Level of co-investment leveraged (£):	
Mean Bank of England daily spot rate – December 2018 (£): <i>State all international exchange rates involved in the bid.</i>	
Contact person for the bid: <i>Only bids from the Vice-Chancellor's Office (or equivalent) will be accepted.</i> Title and full name: Address for correspondence: Phone: Email:	
Partner research institution(s): <i>State the partner institution(s) name(s) and the country where they are located.</i>	

Summarise the bid and its intended outcomes, in no more than 300 words. This summary text will be published on our website when the successful bids are announced.

Section 2: Research Excellence (2 pages)

Demonstrate how the lead HEI and partner research institution(s) have a track record of research excellence in relevant areas.

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Section 3: Case for Funding (3 pages with an additional 1 page project plan attached as an annex)
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<i>Describe the relationship and/or activity to be scaled up using I3 funding.</i>
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Section 5: Risk and Performance Indicators (1 page)
<i>Describe the wider conditions in which the collaboration is operating, clearly articulating the governance structure of the collaboration. Ensure the performance indicators that will be used to monitor the project are clearly articulated and the data sources identified.</i>

Section 6: Financial Information

Complete the table below and the separate spend profile spreadsheet. A maximum of £500,000 I3 funding can be requested. Co-investment is a requirement of funding. At a minimum, each participating institution [lead and partner(s)] should bring the equivalent of £1.00 to the project for each £2.00 invested by Research England. Further information on co-investment can be found in Annex B of the guidance.

Funding Source	Type of support (e.g. cash, in kind)	Type of funding (e.g. capital, resource, recurrent)	Letter of support attached (Indicate with Y)	Total Amount
I3 2018-2019	Cash	Resource	n/a	£
Co-investments <i>List each source below on a separate line. Use a separate line per type of funding if a source is co-investing with a combination of e.g. capital, resource and recurrent funding – list each one on a separate line.</i>				
(e.g. name of lead HEI)				£
(e.g. name of partner international research organisation)				

Section 6: Financial Information
<i>Where appropriate please use this section to provide supporting narrative for the valuation of co-investment.</i>

Section 7: Document Checklist	
Document	Completed? (Y)
<p>Completed application template</p> <p><i>The application template must follow the stated page limits for each section.</i></p>	
<p>Co-investment letters of support</p> <p><i>Each co-investment source must have a letter of support confirming financial commitment. Letters must be on headed paper, dated and signed.</i></p>	
<p>Vice-Chancellor letter of support</p> <p><i>Only bids from the Vice-Chancellor's Office (or equivalent) will be accepted. The letter must be on headed paper, dated and signed.</i></p>	

Annex D: List of Abbreviations

AY	Academic Year
DAC	Development Assistance Committee
ED&I	Equality, Diversity and Inclusion
E3	Expanding Excellence in England
GCRF	Global Challenges Research Fund
I3	International Investment Initiative
HEFCE	(the former) Higher Education Funding Council for England
HEI	Higher Education Institution
ODA	Overseas Development Assistance
QR	Quality Related
REF	Research Excellence Framework
UKRI	United Kingdom Research and Innovation